

# Factors on Zakat (Tithe) Preference as a Tax Deduction in Aceh, Indonesia

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## Abstract

*This paper aims to analyze the variables that affect zakat preference as a tax deduction. Samples are also analyzed and grouped to see some characteristics and patterns of specific issues. Structural Equation Model (SEM) is based on variance. SmartPLS is used to evaluate which variables affect the zakat preference. Samples are distributed to zakat institutions and the University in Aceh, Indonesia. Crosstab analysis can enrich the analysis of the paper. Very few people are aware of zakat as a tax deduction; however, local government has not approved the other permitted regulation of zakat as a taxable income deduction. In addition, only a few people have tax numbers that are used to claim overpaid tax (restitution). Surprisingly, motivation factor significantly affects zakat preference in a negative way. On the other hand, satisfaction factor is similar to Siswanto and Nurhayati's 2012 findings, which is negative and insignificant. Motivation factor is positive, but insignificant.*

**Keywords:** Zakat, tax, restitution, Aceh, SEM

## A. INTRODUCTION

An attempt has been made to increase the number of zakat payers by giving an incentive, such as permitting zakat as a taxable income deduction in Indonesia since 1999. However, very few people have taken advantage of the deduction. This may be caused by the complexity involved in tax claims and insignificant benefits when compared to effort and return Siswanto and Nurhayati, (2012). Thus, this may indicate the policy may not be successful. Therefore, in Aceh, Act No. 11/2006 was issued, which offered a bigger incentive. The act permitted people to claim zakat as a tax deduction. In fact, the act has not been effective yet as it has not been supported by tax regulation.

Recent research on similar issues has been conducted by (Anugrah, 2011), (Siswanto & Nurhayati (2012), and Prasetyo (2013). There are differences in previous research done on the significance of variables. This applies especially for satisfaction, which is considered insignificant by (Anugrah, 2011) but showed the opposite result, negative in zakat preference and insignificant (Siswanto and Nurhayati, 2012).

This paper aims to analyze the affecting variables of zakat preference as a tax deduction. It is assumed that people are already aware of the policy on zakat as a tax deduction, considering the act was issued in 2006. The first part of this paper explains how zakat can be a tax deduction in Aceh, Indonesia. The second part shows previous research that deals with a similar issue and presents analysis tools that can cause different results. Subsequently, the third part is research

methodology, which explains how the research was conducted. Finally, results are discussed on descriptive statistics, crosstab analysis, and SEM-SmartPLS.

## B. METHODS

The research used structural equation modeling (SEM) for respondents' analyses in Aceh, Indonesia. The research was based on hard copy questionnaires. It was sent to zakat institutions (Baitul Mal, Rumah Zakat, and Lazis Muhammadiyah) and Universitas Syiah Kuala in Aceh in April 2013, then it was collected in June 2013 by visiting the institution. Each location was sent 100 questionnaires.

Respondents to the hard copy questionnaires represented people who are familiar with zakat and are at a higher education level. Total respondents were 171 people, while the analysis of SEM was based on the final data (131 data; see Table 4). Data were sent and collected from April until June 2013.

Table 1: Filter Data

No.	Description	Total
1	Hard copy	400
2	Not distributed	(100)
3	Total	300
4	No return	(129)
5	Total	171
6	Incomplete data	(40)
7	Data final	131

The research model refers to Table 3. There are three major variables used in the model, zakat as a tax deduction. The list of questions was copied from Siswantoro and Nurhayati's study (2012), with slight modifications on the related topic, especially on the zakat preference variable. A similar model is used to see the consistency and pattern of respondents with different objective preferences. The model framework can be found in Figure 2.

## C. RESULT AND DISCUSSIONS

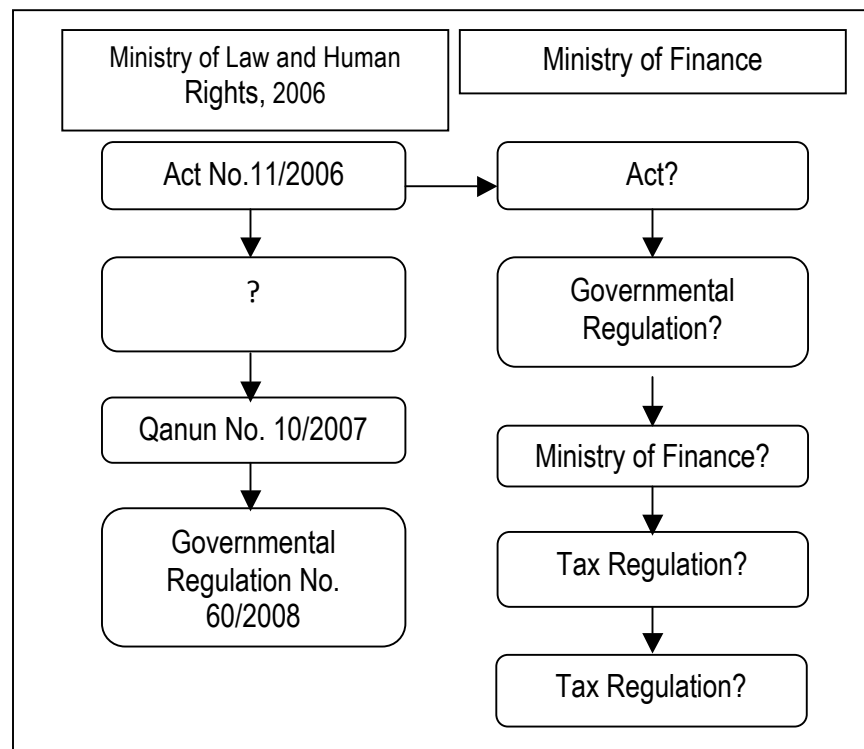
Historically, the government, the Islamic state, collected zakat. It is the third pillar of Islam to which Muslims must comply. Zakat is distributed to selected people: the poor, the needy, the manager, people in debt or in bondage, and wayfarers. On the other hand, there is also a tax that must be paid at that time. The object being taxed is usually land, trading goods, and so on. In the current context in which tax dominantly affects the economic system of a country, zakat should be excluded from the payment of tax. This is because zakat is actually distributed to selected people who also are covered by tax. Zakat simply replaces the existing account post in the budget. Therefore, there is an idea to have zakat as a tax deduction in Indonesia. Otherwise, those who pay zakat will be charged double as they also have to pay tax.

So far in Indonesia, zakat has been a taxable income deduction since 1999 (Act No. 38/1999). It is supported by the Ministry of Finance Act No. 17/2000 on taxable income (Minister of State

Secretariat 2000). However, the complete supporting regulation was issued in 2010 (Governmental Regulation No. 60/2010 on *zakat* and religious charity) and in 2011 by the tax office (Directorate General of Tax 2011, No. PER-6/PJ/2011),(Directorate General of Tax 2011, No. PER-33/PJ/2011). It took almost 12 years for one policy to be fully implemented in Indonesia. Complete regulations mean all necessary and supporting regulations for one policy can be executed effectively.

The case of zakat as a tax deduction occurred in Aceh in 2006, by Act. No. 11/2006. Other supported regulations are *Qanun* (Islamic law) No. 10/2007 and Regional Regulation No. 60/2008 (Regional Secretariat of Aceh, 2008). Both were issued by the Aceh government. No regulation was issued by the Ministry of Finance to support the act of zakat as a tax deduction. Therefore, the act cannot be implemented in Aceh for this case (see Figure 1). This is different from the act that permits zakat as a taxable income deduction.

Figure 1: Regulation hierarchy of Zakat as a tax deduction in Aceh.



The difference between “zakat as a tax deduction” and “zakat as a taxable income deduction” is quite big (see Table 1). For “zakat as a tax deduction,” *muzakki* (zakat payer) only pays the amount of tax (30), as the zakat deducts the total zakat. Yet if “zakat as a taxable income deduction” applies, it deducts the taxable income. It only decreases the total final amount a little bit (45 compared to 40.5). In the case of zakat as a tax deduction, the zakat only deducts the tax received by the government, but only if it is part of the local budget and the recipients are the same with if government took as tax. Zakat is replacing similar objects that are covered by tax before if zakat has not been applied. However, it would not totally ruin the local economy. Besides, it may attract people to pay taxes as it has the zakat incentive.

Table 2: Comparison of Zakat as a Tax Deduction and Zakat as a Taxable Income Deduction

Description	Zakat as a tax deduction	Zakat as not taxable income deduction	Zakat as a taxable income deduction
Taxable income	100	100	100
Zakat	15	15	15
Tax (rate 30%)	30	30	25.5
Total paid	30	45	40.5

There is previous research that explored variables that affect zakat preference, stated in Table 2. They have differences in analysis tools, but not for the same case as zakat as a tax deduction. This is because it only occurs in Aceh for the case in Indonesia. In Malaysia, zakat is a full rebate as a tax deduction (Pollock, 2010). This can be an incentive because the zakat payer can deduct tax paid since 2005 (Bakar 2007). This should increase the number of zakat payments (Bakar and Rahman 2007).

Table 3: Previous Research on Variables to Zakat

Author	Independent Variable	Dependent Variable	Result	Tools
Takidah (2004)	Satisfaction	Commitment	Significant	Lisrel
	Trust		Significant	Mediating
	Service quality		Significant	
Rizal (2006)	Satisfaction	Zakat preference	Significant	Lisrel
	Trust		Significant	
Anugrah (2011)	Satisfaction	Zakat preference	Insignificant	Lisrel
	Trust		Significant	State employee respondents
Jaelani (2008)	Service quality	Zakat decision	Significant	Regression
	Social marketing		Significant	
Fatah (2006)	Agama	Zakat decision	Affect	Discriminant analysis
	Education			
	Management		Affect	
	Income			
	Age			
Sariningrum (2011)	Faith	Zakat payment		Factor analysis
	Altruism			
	Agama			
	Reward			
Siswanto and Nurhayati (2012)	Satisfaction	Zakat preference	Insignificant	PLS (Partial Least Square)
	Trust		Significant	
	Motivation		Significant	
Prasetyo (2013)	Satisfaction	Zakat preference	Significant	PLS

	Trust		Significant	
				State employee respondents

Based on previous research, we would like to test the following hypotheses on this issue (refer to Table 3):

- H1: Satisfaction has a significant effect on the preference for zakat as a tax deduction.  
H2: Trust has a significant positive effect on preference for zakat as a tax deduction.  
H3: Motivation has a significant positive effect to preference for zakat as a tax deduction.

Table 4: Previous Research on Factors Affecting Zakat Payment

Independent variable	Dependent variable	Result	Source
<b>Satisfaction</b>	Commitment	(+) Sig. ***	Takidah (2004)
	Preference	(+) Sig. ***	Rizal (2006)
	Zakat Payment	(+) Sig. ***	Jaelani (2008)
	Preference	(+)	Anugrah (2011)
	Preference	(-)	Siswantoro and Nurhayati (2012)
<b>Trust</b>	Preference	(-)	Prasetyo (2013)
	Commitment	(+) Sig. ***	Takidah (2004)
	Preference	(+) Sig. ***	Rizal (2006)
	Preference	(+) Sig. ***	Anugrah (2011)
	Preference	(+) Sig. **	Siswantoro and Nurhayati (2012)
<b>Motivation</b>	Preference	(+) Sig. **	Prasetyo (2013)
	Zakat Payment	(+)	Saringrum (2011)
	Preference	(+) Sig. **	Siswantoro and Nurhayati (2012)

\*\*\*Sig. 1%, \*\* Sig. 5%, \*Sig. 10%

The analysis starts with the descriptive analysis of a respondent's preference on the statements. It then follows with crosstab analysis, which relates and groups some characteristics of respondents. Finally, the structural equation modeling (SEM) – SmartPLS is used to classify supporting factors on zakat as a deductible tax in Aceh.

The main variables used in this research are satisfaction, trust, and motivation. Each variable is supported by some factors that are based on previous literature. The biggest average variables are on motivation, with three factors of motivation placed at the first and third ranks (see Table 5). On the other hand, the lowest are also for the motivation factor. The statement stated that "I am pleased when people know I pay zakat". This shows that respondents actually are humble. They do not want others to know that they pay zakat. In Islamic teaching, it may be good as it may destroy the intention of doing a good deed. The total average for motivation is 3.85.

The second group, satisfaction, has a total average of 3.7, while trust has an average of 3.66. The preference for zakat as a deductible tax is 3.33. Trust has the lowest average compared to the other categories. This is an interesting finding that shows that respondents do not have a strong trust in the zakat institution in Aceh. In fact, respondents are still in doubt of the statement that

zakat can be tax deductible. Even though zakat has been tax deductible since 2006, not many people are aware of it in Aceh. The regulation ensures that zakat payers are not charged additional disbursements when they pay zakat because they can deduct the tax paid.

Table 5: Descriptive Statistics of Respondent Preference

Factor	Mean
m3	4.282
m1	4.229
m2	4.206
s6	3.878
s5	3.794
t5	3.786
s11	3.771
t2	3.763
t3	3.733
t4	3.733
t1	3.725
s1	3.710
s12	3.710
s8	3.695
s9	3.695
t8	3.687
s4	3.679
s3	3.664
s10	3.634
t10	3.626
s2	3.611
t9	3.603
s7	3.565
t7	3.550
t6	3.481
s13	3.427
z	3.336
m4	2.687

The awareness of the zakat as a deductible tax can be seen also from respondents who have tax numbers. Only 64.1% of respondents have tax numbers (*Nomor Pokok Wajib Pajak*-NPWP). Male respondents have bigger percentages than female respondents (37.1% > 27.1%; see Table 6). This may be because male respondents are workers and employees and they must have tax numbers for paying income taxes. Otherwise, if they do not have tax numbers, they will be charged a higher amount. However, claiming a deduction for taxable income is impossible without a tax number (under the current applied regulation). In fact, this research finds that no one has claimed tax restitution as a zakat payment. Nationally, this policy has been implemented throughout Indonesia, but not in Aceh as it has not been recognized by Islamic regulation. A similar problem has occurred for zakat as a deductible tax.

Table 6: Cross Tabulation of Tax Number and Sex

		Tax Number		Total
		Yes	No	
<b>Sex</b>	Male	63	14	77
	%	37.1	8.2	45.3
	Female	46	47	93
	%	27.1	27.6	54.7
<b>Total</b>		109	61	170
	%	64.1	35.9	100

In fact, 36.5% of respondents paid zakat directly to recipients and not through a zakat institution. It has become an important task for local zakat institutions to attract people to pay zakat directly to them (see Table 7). Some people still believe that it would be more effective if zakat was disbursed directly to the recipients. A second rank is taken by an employer (28.3%), which is usually conducted by a government office. It coordinates with nearby Baitul Mal as a government zakat institution; 13.2% is paid to registered zakat institutions. These zakat institutions are Dompot Dhuafa, PKPU, Rumah Zakat, and Lazis Muhammadiyah. Based on *Qanun* No. 10/2007 (Regional Secretariat of Aceh, 2007), these institutions cannot collect zakat after 2012. However, there is no sanction if they still manage zakat funds in Aceh. To minimize conflicts, they collect other zakat funds such as shadaqah (charity) and infaq (grants).

Fifteen out of 66 employees who work at government offices pay zakat directly to the recipients. While less than 50% (31 employees) pay zakat by salary cut. This may show that not all government institutions coordinate with Baitul Mal to collect zakat funds. The intriguing issue is nongovernmental office employee types (the private sector) tend to not take zakat payment from their salary. In this case, Baitul Mal should be able to ask private organizations to get involved in their zakat collection coordination.

Table 7: Cross Tabulation of Company Type Payers and Zakat Destination

		Zakat Destination					Total
		Direct	Reg. LAZ	Not yet	Mosque	Salary Take	
<b>Company Type</b>	Government	15	8	6	6	31	66
	%	9.4	5	3.8	3.8	19.5	41.5
	Private	12	8	6	5	11	42
	%	7.5	5	3.8	3.1	6.9	26.4
	SOE	2	2			3	7
	%	1.3	1.3			1.9	4.4
	MNC	1					1
	%	.6					
	Nat.Private	8	1				9
	%	5	.6				
	Others	20	2	6	6		34

	%	12.6	1.3	3.8	3.8		21.4
<b>Total</b>		58	21	18	17	45	159
	%	36.5	13.2	11.3	10.7	28.3	100

In fact, only 23.4% of respondents know that zakat can be tax deductible, even though the regulation was issued in 2006 (see Table 8). Therefore, people should have already been aware of this regulation. The higher education level does not increase the level of awareness about zakat as a deductible tax, except for graduate level (17 out of 44, or 38.6%). The issue of zakat as a deductible tax is not simple and needs aggressive socialization. In addition, the regulation has not been effective yet, as it is not supported by the supporting tax regulation. In order to be effective, the act on tax must be revised and accommodate zakat as a deductible tax by the House of Assembly.

Table 8: Cross Tabulation of "Zakat Deductible Tax" and Education

		<b>Zakat as Tax Deduction</b>		<b>Total</b>
		Yes	No	
<b>Education</b>	< Junior HS	1	2	3
	%	.6	1.2	1.8
	Senior HS	8	30	38
	%	4.8	18	22.8
	Diploma	4	11	15
	%	2.4	6.6	9
	Undergraduate	9	58	67
	%	5.4	34.7	40.1
	Graduate	17	27	44
	%	10.2	16.2	26.3
<b>Total</b>		39	128	167
	%	23.4	76.6	100

Table 9: Cross Tabulation of "Zakat Tax-Deductible Income" and Education

		<b>Zakat as Taxable Income Deduction</b>		<b>Total</b>
		Yes	No	
<b>Education</b>	< Junior HS	0	3	3
	%		1.8	1.8
	Senior HS	7	31	38
	%	4.2	18.8	23
	Diploma	5	10	15
	%	3	6.1	9.1
	Undergraduate	8	58	66
	%	4.8	35.2	40
	Graduate	16	27	43
	%	9.7	16.4	26.1
<b>Total</b>		36	129	165



	%	21.8	78.2	100
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The interesting finding is that the respondents' awareness of zakat as a taxable income deduction is only 21.8% (see Table 9). This is lower than the previous result, although the act of the corresponding issue was issued in 1999 (Act No. 38/1999) and supported by technical regulation in 2010 (Governmental Regulation No. 60/2010). Despite national legalization, this act is not recognized in Aceh because it is not supported by Islamic regulation. In addition, the effect is not considered significant and the process is complicated. The level of awareness on this issue is similar to the previous issue.

The main reason people do not propose restitution for overpaid dues to zakat payment is unawareness of the issue. Other reasons are complicated processes and laziness to apply for restitution. The process of restitution requires a site check and many phases and can result in larger tax charges if negligence is found.

Table 10: Cross Tabulation of the Reason for Zakat Maal Payment and Not Restitution

		Reason for Not Restitution					Total
		Difficult	Complicated	Lazy	Not Agree	Other	
	Yes	5	17	9	10	31	72
	%	3.3	11.3	6	6.7	20.7	48
	No	1	5	19	4	49	78
	%	.7	3.3	12.7	2.7	32.7	52
Total		6	22	28	14	80	150
	%	4	14.7	18.7	9.3	53.3	100

The relationship between income level and the compliance to zakat payment is positive—the bigger the income, the higher the percentage of zakat maal payment (see Table 11). Zakat maal is based on the wealth of the people with a minimum amount of 85gr gold. If the wealth for 1 year is below 85gr gold, a Muslim does not have to pay zakat, which apparently occurs for people whose salaries are below Rp2 mn (percentage of paying zakat is 12 out of 51). The payment increases for the group with a salary range of Rp2–5 mn. Then, it is almost 100% for the group with a salary range of Rp5–10mn, and it is 100% for people with a salary range of Rp10–15 mn. There is no respondent whose salary is above Rp25 mn.

Table 11: Cross Tabulation of Income and Zakat Maal Payment

		Zakat Maal Payment		Total
		Yes	No	
Income (in IDR million)	< 2	12	39	51
	%	7.7	25	32.7
	2–5	38	39	77
	%	24.4	25	49.4
	5–10	24	1	25
	%	15.4	.6	16
	10–25	3	-	3

	%	1.9		1.9
	>25			
	%			
<b>Total</b>		77	79	156
	%	49.4	50.6	100

Table 12: Cross Tabulation of Zakat Salary Payment and Income

		<b>Zakat Salary (Income) Payment</b>		<b>Total</b>
		Yes	No	
<b>Income (in IDR million)</b>	< 2	10	40	50
	%	6.5	26	32.5
	2–5	39	39	78
	%	25.3	25.3	50.6
	5–10	13	11	24
	%	8.4	7.1	15.6
	10–25	2		2
	%	1.3		1.3
	>25			
	%			
<b>Total</b>		64	90	154
	%	41.6	58.4	100

On the other hand, the percentage of salary zakat payment is lower than maal zakat payment (see Table 12). This is because not all people are aware of salary zakat, which is relatively new and usually handled by each company. This type of zakat is simple as it is just deducted from the salary directly. This zakat does not require other deductions from the wealthy for the zakat object, such as debt and third party rights. However, people who have paid salary zakat for the current year must also pay for maal (wealth) zakat for 1 year ago.

More male respondents pay zakat maal compared to female respondents (38 out of 73; see Table 13). On the contrary, it is the opposite for salary zakat payment (see Table 14). Male respondents prefer paying maal zakat to salary zakat. While on average, the percentage of zakat maal payment is higher than the salary zakat payment.

Table 13: Cross Tabulation of Sex and Zakat Maal Payment

		<b>Zakat Maal Payment</b>		<b>Total</b>
		Yes	No	
<b>Sex</b>	Male	38	35	73
	%	23.6	21.7	45.3
	Female	41	47	88
	%	25.5	29.2	54.7
<b>Total</b>		79	82	161
	%	49.1	50.9	100

Table 14: Cross Tabulation of Sex and Zakat Salary Payment

		Zakat Salary (Income) Payment		Total
		Yes	No	
<b>Sex</b>	Male	29	42	71
	%	18.2	26.4	44.7
	Female	37	51	88
	%	23.3	32.1	55.3
<b>Total</b>		66	93	159
	%	41.5	58.5	100

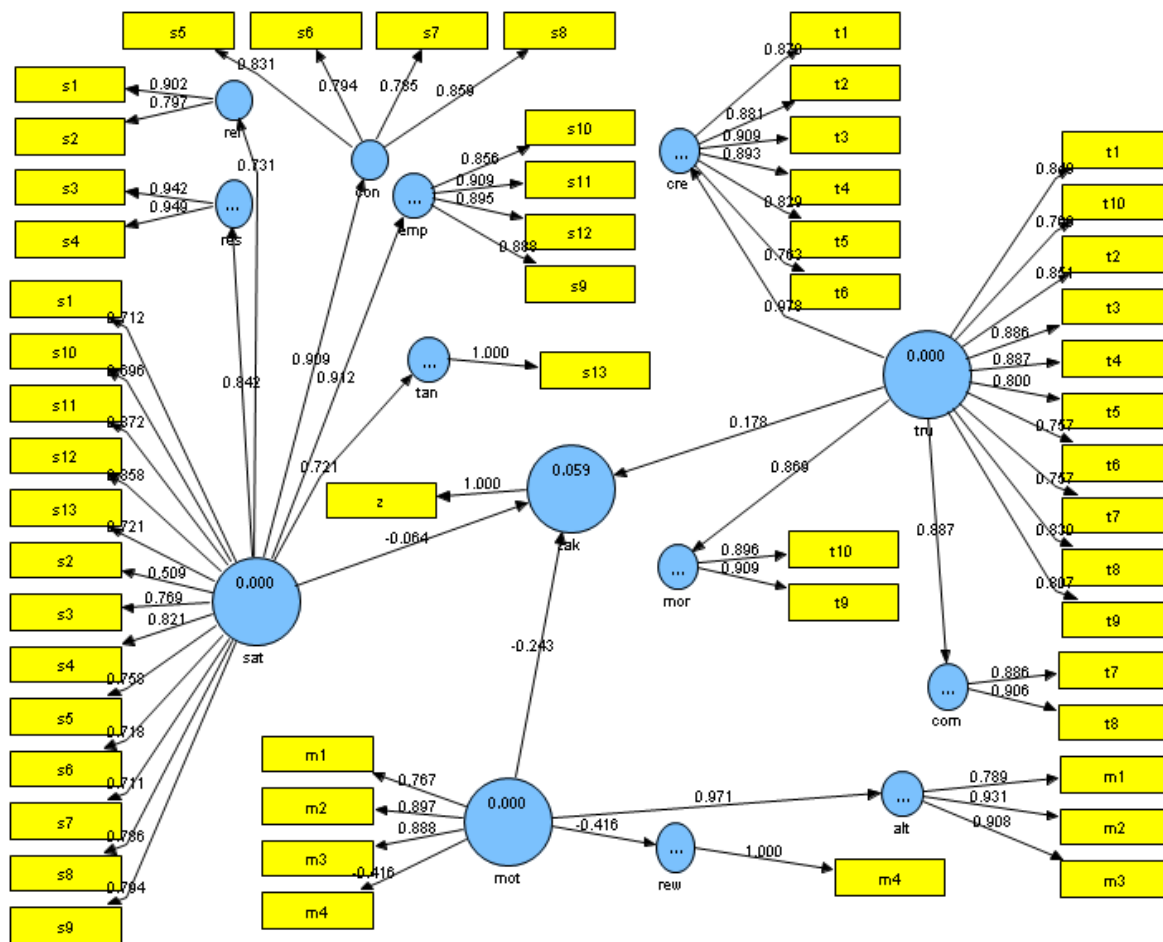
Low participation in zakat salary payment is an important issue that should be addressed. This is because zakat, as the third pillar of Islam, is an obligation for Muslims. Furthermore, zakat benefits the society and social development. The government should be aggressive in promoting zakat within society and develop a good infrastructure to enable people to pay zakat easily.

Table 15: Cross Tabulation of Status and Zakat Maal Payment

		Zakat Maal Payment		Total
		Yes	No	
<b>Status</b>	Not Married	7	22	29
	%	4.3	13.7	18
	Married	68	57	125
	%	42.2	35.4	77.6
	Widowed	4	3	7
	%	2.5	1.9	4.3
<b>Total</b>		79	82	161
	%	49.1	50.9	100

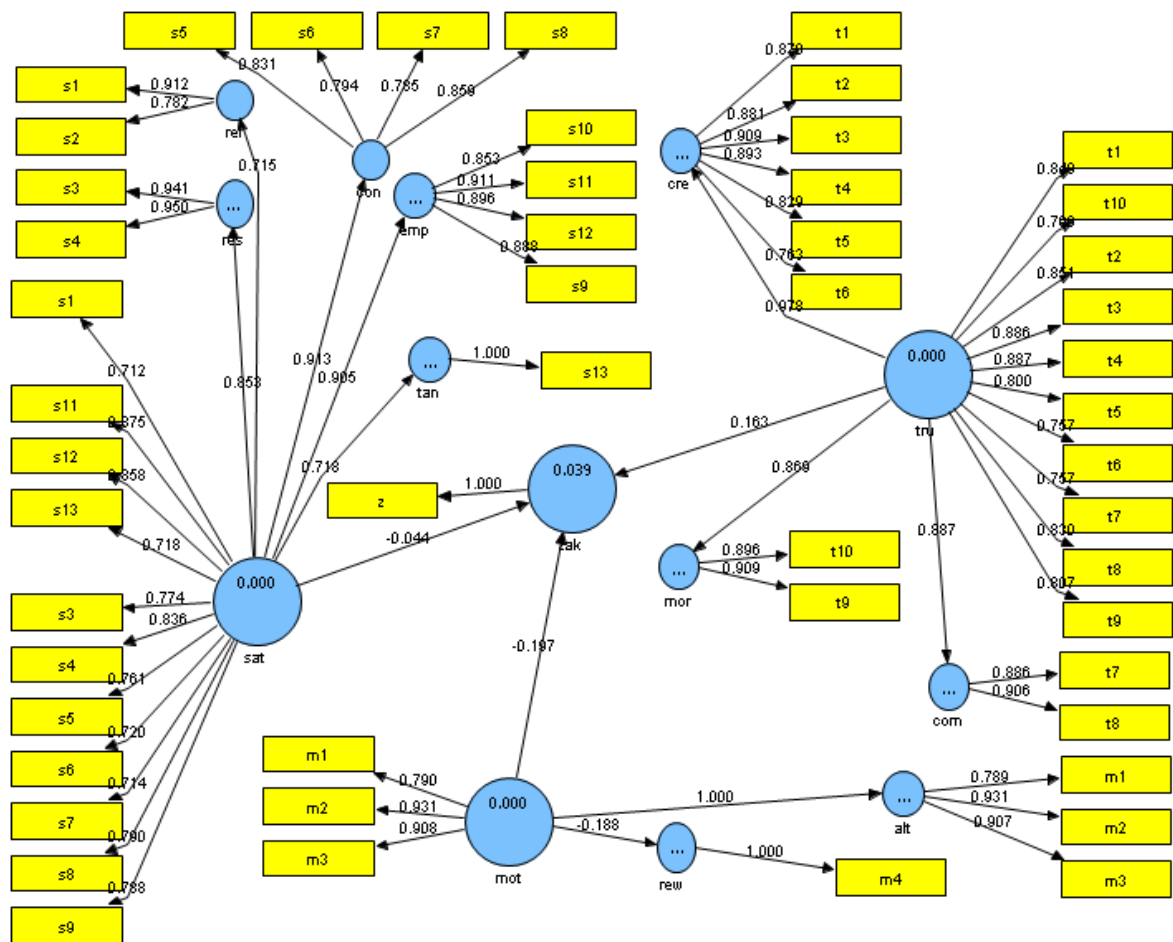
Married respondents have a larger percentage of maal zakat payments. This may indicate that married people usually have better and more stable economic conditions compared to single people (see Table 15). However, there are married respondents who do not make maal zakat payments due to spouse factors and other factors that should be further identified.

Figure 2: First model result.



The research model is similar to that of (Siswantoro and Nurhayati, 2012) in that it focuses on zakat as a taxable income deduction. In this model, we changed the preference variable to zakat as a tax deduction. Some modifications were made on screening information, relevant variables, and specific cases.

Figure 3: Model result after loading &gt; 0.7.



The figure above shows that many factors have loading factors bigger than 0.7. This is a good thing as there is a strong preference in these statements. Factors lower than 0.7 are factors s2, s10, and m4, all from repeated indicators. Repetitive factors that directly affect the variables have lower loading factors in this case.

Factors lower than 0.7 shows that respondents do not have a consistent pattern to affect other variables. Those variables are as follows:

- s2 = Zakat disbursement procedure is on the right target.
- s10 = I can use technology to pay zakat at a zakat institution.
- m4 = I am pleased when others know I paid zakat.

Low factor loading on s2 shows that respondents have different preferences on statements of zakat that have been disbursed to the right people. The problem in zakat management lies not only in the collection process but also in the disbursement. Low factor loading on s10 should become a concern as respondents should be able to pay zakat easily using current technology—for example, by using an ATM, online banking, mobile gadgets, and so forth. The easier it is to pay zakat using technological facilities, the more zakat funds could be collected. Lastly, low factor

loading on m4 implies that respondents feel that it is not important to let others know they have paid zakat. This signifies different meanings for motivation by the respondents.

Table 16: Results of Smart PLS

	<b>AVE</b>	<b>Communality</b>	<b>R Square</b>	<b>Composite Reliability</b>	<b>Cronbach's Alpha</b>	<b>Redundancy</b>
alt	0.771	0.771	0.999	0.909	0.848	0.771
com	0.802	0.802	0.786	0.890	0.754	0.629
con	0.669	0.669	0.833	0.889	0.834	0.557
cre	0.737	0.737	0.955	0.943	0.928	0.704
emp	0.787	0.787	0.819	0.936	0.910	0.636
mor	0.814	0.814	0.755	0.897	0.772	0.614
mot	0.771	0.771		0.909	0.848	
rel	0.721	0.721	0.511	0.837	0.628	0.357
res	0.893	0.893	0.727	0.943	0.881	0.648
rew	1.000	1	0.035	1	1	0.035
sat	0.606	0.606		0.944	0.934	
tan	1.000	1	0.515	1	1	0.515
tru	0.672	0.672		0.953	0.945	
zak	1.000	1	0.038	1	1	0.022

The model also meets SmartPLS's assumption: for example, average variance extracted (AVE) with communality score of  $> 0.5$  (see Table 16). These parameters are used for convergent validity. Cronbach's alpha and composite reliability with a score of  $> 0.7$  are used to test the reliability of the sample.

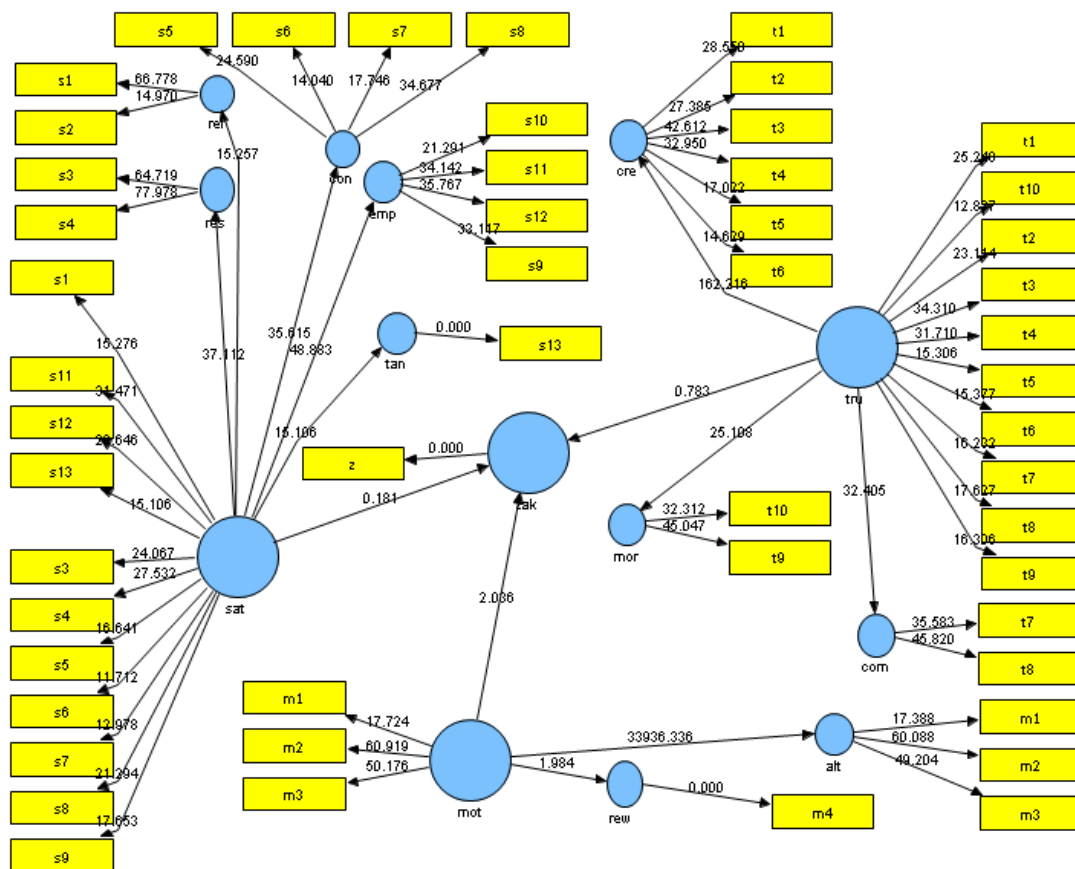
A bootstrapping test is used to check which variables affect the preferred variables significantly, in this case zakat as a tax deduction. Motivation factor has a significant negative effect (5%, 2.03 bigger than 1.96) in zakat preference. In the motivation variable, only reward factors have negative effects, but the correlation is significant. This means respondents prefer that nobody knows they have paid zakat. On the contrary, previous research by Siswanto and Nurhayati (2012) concluded that motivation factor has a positive and significant correlation to zakat preference.

Satisfaction factor has a similar result with Siswanto and Nurhayati's research (2012), which is negative and insignificant. Respondents feel unsatisfied with the zakat institution, which thus causes negative correlations to zakat preferences. Consistent patterns occur in this research. Only trust shows positive effects on zakat preference, but the correlation is not significant. Most respondents trust the zakat institution, which is actually a good thing. On the other hand, the zakat institution should enhance the transparency and accountability to make a better system.

Table 17: Results of Bootstrapping Test

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	Standard Error (STERR)	T Statistics ( O/STERR )
mot -> alt	0.999	0.999	0.000	0.000	33936.336
mot -> rew	-0.187	-0.215	0.094	0.094	1.984
<b>mot -&gt; zak</b>	-0.196	-0.213	0.096	0.096	2.036
sat -> con	0.912	0.910	0.025	0.025	35.614
sat -> emp	0.905	0.903	0.018	0.018	48.883
sat -> rel	0.715	0.722	0.046	0.046	15.256
sat -> res	0.852	0.853	0.022	0.022	37.111
sat -> tan	0.718	0.715	0.047	0.047	15.106
<b>sat -&gt; zak</b>	-0.043	0.002	0.241	0.241	0.180
tru -> com	0.887	0.882	0.027	0.027	32.404
tru -> cre	0.977	0.976	0.006	0.006	162.215
tru -> mor	0.869	0.862	0.034	0.034	25.107
<b>tru -&gt; zak</b>	0.162	0.135	0.207	0.207	0.783

Figure 4: Bootstrapping test of second model result after loading &gt; 0.7%.



## D. CONCLUSIONS

The results show that the awareness on the issue of zakat as a tax deduction is still low in Aceh, even though it has been regulated since 2006. Moreover, the awareness on the issue of zakat as a taxable income deduction is also low, even though it has been permitted since 1999. In fact, no one has claimed this for overpaid tax. The other issue is that the approved regulation has not been recognized by local Islamic law. In addition, the level of education affects the awareness of zakat as a tax deduction, especially for college graduates, which may be caused by the complexity of the issue.

The government should encourage citizens to have tax numbers because without them, it is impossible to claim zakat as a tax deduction. In addition, many state employees still pay zakat directly to recipients, even though there is an autodebit facility to pay zakat from a monthly salary. This means that respondents assume it is more effective to pay zakat directly.

The results show interesting findings as the motivation variable shows a significant negative correlation with zakat preference. Although not significant, satisfaction shows a negative correlation, similar to the findings of Siswantoro and Nurhayati (2012). On the other hand, trust shows a positive correlation, but it is not significant. These results indicate that respondents are not quite satisfied with and do not trust zakat preference as a tax deduction. Besides, motivation has different views in this case.



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## Appendix

### List of Questions

No	Group	Subgroup	Code	Statement
1.	Satisfaction	Reliability	s1	Zakat reception procedure of zakat institution is quick and good.
2.	Satisfaction	Reliability	s2	Zakat disbursement procedure is on the right target.
3.	Satisfaction	Responsiveness	s3	Zakat officer gives zakat information responsively.
4.	Satisfaction	Responsiveness	s4	Zakat officer gives zakat information comprehensively.
5.	Satisfaction	Confidence	s5	Zakat institution manages the fund well.
6.	Satisfaction	Confidence	s6	I believe zakat institution can be trusted and is professional in zakat management.
7.	Satisfaction	Confidence	s7	Zakat institution has published zakat fund-reception report.
8.	Satisfaction	Confidence	s8	Zakat institution has published zakat fund-disbursement report.
9.	Satisfaction	Empathy	s9	I can contact zakat institution easily.
10.	Satisfaction	Empathy	s10	I can use technology to pay zakat at a zakat institution.
11.	Satisfaction	Empathy	s11	Zakat institution always maintains good relationship with the zakat payer.
12.	Satisfaction	Empathy	s12	Zakat institution always provides information easily.
13.	Satisfaction	Tangible	s13	Zakat office is tidy and good.
14.	Trust	Credibility	t1	Zakat institution can be trusted with zakat fund.
15.	Trust	Credibility	t2	Zakat institution has delivered zakat funds to the right recipients.
16.	Trust	Credibility	t3	Zakat institution has high credibility.
17.	Trust	Credibility	t4	Zakat institution is trusted by society.
18.	Trust	Credibility	t5	I believe in zakat institution.
19.	Trust	Credibility	t6	Zakat institution has been transparent in financing.
20.	Trust	Competency	t7	Zakat institution officer has knowledge, experience, and competence about zakat.
21.	Trust	Competency	t8	Zakat institution officer can manage zakat fund well.

22.	Trust	Morality	t9	Zakat institution management has good morals.
23.	Trust	Morality	t10	Zakat institution staff always maintain the appearance
24.	Motivation	Altruism	m1	I am pleased to be paying zakat for the poor.
25.	Motivation	Altruism	m2	I sympathize when seeing other people in poverty.
26.	Motivation	Altruism	m3	I feel comfortable after paying zakat.
27.	Motivation	Reward	m4	I am pleased when people know I pay zakat.
28.	<i>Zakat</i>	<i>Zakat</i>	z	Zakat deducts tax that I paid